

Message Text

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PAGE 01 HONG K 09689 021018Z

53

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SUBJ: PRC TOUTS ITS EXPORTS, ADMITS NEED FOR IMPORTS

SUMMARY: AS ONE OF A NUMBER OF RECENT WRAP-UP ARTICLES TOUTING NATIONAL ACHIEVEMENTS ON THE EVE OF NATIONAL DAY, NCNA SEPTEMBER 21 CARRIED A REPORT ON THE DEVELOPMENT OF CHINA'S FOREIGN TRADE SINCE 1949. THE ARTICLE HIGHLIGHTS THE EXPANSION OF TRADE RELATIONS AND THE CHANGE TO INDUSTRIAL PRODUCTS IN THE COMPOSITION OF PRC EXPORTS BUT ADMITS THAT CHINA CANNOT PRODUCE ENOUGH TO MEET THE GROWING NEEDS OF ITS EXTERNAL TRADE. THE REPORT PLAYS DOWN CHINA'S NEED FOR IMPORTS AND IGNORES POTENTIALLY EMBARRASSING ASPECTS OF CHINA'S TRADING PRACTICES. END SUMMARY

1. AS ONE OF A NUMBER OF RECENT WRAP-UP ARTICLES TOUTING NATIONAL ACHIEVEMENTS ON THE EVE OF NATIONAL DAY, NCNA SEPTEMBER 21 CARRIED A REPORT ON THE EXPANSION OF CHINA'S FOREIGN TRADE SINCE 1949. BASED ON THE PRINCIPLES OF LIMITED OFFICIAL USE

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PAGE 02 HONG K 09689 021018Z

"SELF RELIANCE" AND "EQUALITY AND MUTUAL BENEFIT", THE

REPORT STATED THAT SINCE LIBERATION FOREIGN TRADE HAD BECOME AN IMPORTANT WAY OF EXCHANGING GOODS AND "EXPERIENCES" WITH OTHER PEOPLE, ENHANCING FRIENDSHIP AND DEEPENING MUTUAL UNDERSTANDING. WHILE MAINTAINING A BALANCE BETWEEN EXPORTS AND IMPORTS, THE TOTAL VOLUME OF TRADE HAD INCREASED BY 48.4 PERCENT FROM 1965 TO 1972, ACCORDING TO THE REPORT.

2. BEGINNING WITH A STATISTICAL SUMMARY, THE ARTICLE STATES THAT CHINA HAS TRADE RELATIONS WITH MORE THAN 140 COUNTRIES AND REGIONS AND HAS SIGNED TRADE AGREEMENTS OR PROTOCOLS WITH OVER 50 OF THEM. IN 1972, PRC TRADE REPRESENTATIVES VISITED 28 COUNTRIES, WHILE PEKING RECEIVED REPRESENTATIVES FROM 43. IN ADDITION, CHINA STAGED EXHIBITIONS OR PARTICIPATED IN INTERNATIONAL FAIRS IN 16 COUNTRIES. IN RETURN, A NUMBER OF FOREIGN COUNTRIES HELD EXHIBITIONS IN CHINA. IN 1973, CHINA HAS ACHIEVED FURTHER PROGRESS IN EXPANDING TRADE RELATIONS AND EXPORTS AND IMPORTS HAVE "SIGNIFICANTLY" INCREASED, ACCORDING TO THE ARTICLE.

3. NCNA NOTED THAT DESPITE INCREASED "VARIETY" AND "CONSTANT IMPROVEMENT" IN THE QUALITY OF ITS EXPORTS, THE PRC WAS STILL A DEVELOPING COUNTRY WHICH COULD NOT PRODUCE ENOUGH TO MEET THE NEEDS OF ITS GROWING EXTERNAL TRADE. WHILE BEFORE LIBERATION CHINA SOLD ONLY FARM AND "SIDELINE PRODUCE OR GOODS MADE FROM SUCH RAW MATERIALS, IT NOW EXPORTED MACHINE TOOLS, METERS AND INSTRUMENTS, LIGHT INDUSTRIAL PRODUCTS, MEDICINES AND MEDICAL APPARATUS. THE ARTICLE ALSO SPECIFICALLY MENTIONED THE EXPORT "FOR THE FIRST TIME" OF "EXCEPTIONALLY LOW SULPHUR CONTENT" CRUDE OIL FROM TACHING. ON THE IMPORT SIDE, CHINA PURCHASED "SOME" METALS, CHEMICALS, MEANS OF TRANSPORT", PRECISION MACHINE TOOLS AND MODERN

EQUIPMENT TO "MEET THE NEEDS OF SOCIALIST CONSTRUCTION" AND RAISE LIVING STANDARDS.

4. COMMENT: NCNA'S FIGURE OF 48.4 PERCENT GROWTH IN TOTAL LIMITED OFFICIAL USE

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PAGE 03 HONG K 09689 021018Z

TRADE IS NEARLY IDENTICAL TO A FIGURE OF 47.4 PERCENT OBTAINED BY USING OUR PAST ESTIMATES OF \$3.88 MILLION IN 1965 AND \$5.72 MILLION IN 1972(A-249). AS MIGHT BE EXPECTED, THE NCNA WRAP-UP IGNORES ASPECTS OF CHINA'S FOREIGN TRADE WHICH MIGHT PROVE EMBARRASSING TO PEKING. FOR EXAMPLE, THERE IS NO MENTION OF SEVERAL HUNDRED MILLION DOLLARS OF PLANT PURCHASES ON DEFERRED PAYMENTS OR EQUALLY LARGE PURCHASES OF FOREIGN AGRICULTURAL PRODUCTS THIS YEAR. ALSO NOT

MENTIONED IS THAT FACT THAT IN 1972 NEARLY 80 PERCENT OF THE
PRC'S FOREIGN TRADE WAS WITH THE VERY "IMPERIALIST" POWERS
WHICH THE ARTICLE CLAIMS PLUNDERED CHINA IN THE CENTURY
BEFORE LIBERATION. THE POSITIVE NOTE TO END ON, HOWEVER, IS
THAT THE ADMISSION OF THE NEED FOR IMPORTS COULD BE AN
ATTEMPT TO PREPARE THE POPULATION FOR THE APPEARANCE OF MORE
FOREIGN IMPORTS (AND TECHNICIANS) IN THE PRC.
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